

NOTICE OF VIOLATION
AND
PROPOSED IMPOSITION OF CIVIL PENALTY

Consumers Power Company
Palisades Plant

Docket No. 50-255
License No. DPR-20
EA 88-140

During an NRC inspection conducted on May 9-13, 18, 31, June 14, 29, and 30, 1988, violations of NRC requirements were identified. In accordance with the "General Statement of Policy and Procedure for NRC Enforcement Actions," 10 CFR, Part 2, Appendix C (1988), the Nuclear Regulatory Commission proposes to impose a civil penalty pursuant to Section 234 of the Atomic Energy Act of 1954, as amended (Act), 42 U.S.C. 2282, and 10 CFR 2.205. The particular violations and associated civil penalty are set forth below:

I. Violation Assessed Civil Penalty

10 CFR Part 50, Appendix B, Criterion XVI, as implemented by Consumers Power Company Quality Assurance Program for Operational Nuclear Power Plants, Section 16, requires, in part, that conditions adverse to quality are promptly identified and corrected.

10 CFR 50.48(c) (3) and (4) require those fire protection features that require prior NRC approval shall be implemented by the end of the first refueling outage commencing 180 days after NRC approval. By letter dated May 26, 1983, the 180 day time period was commenced when the NRC approved the licensee's proposed features assuring compliance with Section III of Appendix R to 10 CFR Part 50. These features were to be completed by March 3, 1986.

10 CFR Part 50, Appendix R, Section III.L.7 requires that the safe shutdown equipment and systems for each fire area shall be known to be isolated from associated non-safety circuits in the fire area so that hot shorts, open circuits, or shorts to ground in the associated circuits will not prevent operation of the safe shutdown equipment.

Contrary to the above, an adverse condition identified during the July 28 through September 30, 1986 NRC inspection had not been corrected as of the NRC inspection of May 9 through 13, 1988. The adverse condition related to the failure to isolate safety-related equipment from associated non-safety circuits as required by 10 CFR 50, Appendix R, Section III.L.7. Specifically, two control power cables to the VCT outlet valve (MO-2087) were identified by the 1988 NRC inspection that could hot short with associated non-safety circuits and cause spurious opening and compromise or prevent safe shutdown by causing a loss of charging pump and subsequent loss of makeup capability. No other redundant, alternative or dedicated shutdown capability was provided. This adverse condition was identified by the 1986 inspection which

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determined that the licensee had failed to do a spurious signal analysis on MO-2087 to ensure that spurious operation would not cause a loss of charging flow.

This is a Severity Level III violation (Supplement I).

Civil Penalty - \$75,000

II. Violations not Assessed a Civil Penalty

- A. 10 CFR Part 50, Appendix R, Section III.L.7, requires that the safe shutdown equipment and systems for each fire area shall be known to be isolated from associated non-safety circuits in the fire area so that hot shorts, open circuits, or shorts to ground in the associated circuits will not prevent operation of the safe shutdown equipment.

Contrary to the above, during the July 28 through September 30, 1986 inspection, the safe shutdown equipment and systems for each fire area were not known to be isolated from associated non-safety circuits in the fire area so that hot shorts, open circuits, or shorts to ground in the associated circuits would not prevent operation of the safe shutdown equipment. Specifically:

1. A fuse and circuit breaker coordination analysis was inadequate in that the protection provided for fire induced associated circuit common bus failures could not be demonstrated due to the lack of time current curves. This inadequacy demonstrated a failure to adequately show that this type of associated circuit could not have prevented operation of required safe shutdown equipment.
2. The licensee had not analyzed the letdown interface for spurious operations that could cause a fire induced LOCA via the letdown high/low pressure interface. Since the licensee had not performed a letdown high/low pressure interface spurious signal analysis, the licensee's protection for a fire induced LOCA via the letdown high/low pressure interface could not be demonstrated. The NRC also identified that, as of May 13, 1988, two cables routed together were susceptible to the same fire that could have caused the simultaneous spurious opening of the letdown orifice valves.

These two examples are considered as a Severity Level IV violation (Supplement I).

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- B. 10 CFR Part 50, Appendix B, Criterion XVI, as implemented by Consumers Power Company Quality Assurance Program for Operational Nuclear Power Plants, Section 16, requires, in part, that conditions adverse to quality, such as deficiencies of equipment, are corrected as soon as practical. It further requires that the controls assuring corrective action are implemented in a timely manner.

Contrary to the above, following an NRC identification of eight hour Emergency Lighting System deficiencies in July 1986, during a corrective action review in September 1986 the licensee identified that additional deficiencies existed with the lighting system. By letter dated December 12, 1986, they committed to correct these lighting system deficiencies by approximately November 13, 1987. However, while some corrective actions were taken, deficiencies still existed on June 30, 1988.

This is a Severity Level IV violation (Supplement I).

Pursuant to the provisions of 10 CFR 2.201, Consumers Power Company is hereby required to submit a written statement or explanation to the Director, Office of Enforcement, U.S. Nuclear Regulatory Commission, within 30 days of the date of this Notice. This reply should be clearly marked as a "Reply to a Notice of Violation" and should include for each alleged violation: (1) admission or denial of the alleged violation, (2) the reasons for the violation if admitted, (3) the corrective steps that have been taken and the results achieved, (4) the corrective steps that will be taken to avoid further violations, and (5) the date when full compliance will be achieved. If an adequate reply is not received within the time specified in this Notice, an order may be issued to show cause why the license should not be modified, suspended, or revoked or why such other action as may be proper should not be taken. Consideration may be given to extending the response time for good cause shown. Under the authority of Section 182 of the Act, 42 U.S.C. 2232, this response shall be submitted under oath or affirmation.

Within the same time as provided for the response required above under 10 CFR 2.201, the Licensee may pay the civil penalty by letter to the Director, Office of Enforcement, U.S. Nuclear Regulatory Commission, with a check, draft, or money order payable to the Treasurer of the United States in the amount of the civil penalty proposed above, or may protest imposition of the civil penalty by a written answer addressed to the Director, Office of Enforcement, U.S. Nuclear Regulatory Commission. Should the licensee fail to answer within the time specified, an order imposing the civil penalty will be issued. Should the licensee elect to file an answer in accordance with 10 CFR 2.205 protesting the civil penalty, in whole or in part, such answer should be clearly marked as an "Answer to a Notice of Violation" and may: (1) deny the violation listed in this Notice in whole or in part, (2) demonstrate extenuating circumstances, (3) show error in this Notice, or (4) show other reasons why the penalty should not be imposed. In addition to protesting the civil penalty, such answer may request remission or mitigation of the penalty.

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In requesting mitigation of the proposed penalty, the five factors addressed in Section V.B of 10 CFR Part 2, Appendix C (1988), should be addressed. Any written answer in accordance with 10 CFR 2.205 should be set forth separately from the statement or explanation in reply pursuant to 10 CFR 2.201, but may incorporate parts of the 10 CFR 2.201 reply by specific reference (e.g., citing page and paragraph numbers) to avoid repetition. The attention of the licensee is directed to the other provisions of 10 CFR 2.205, regarding the procedure for imposing a civil penalty.

Upon failure to pay any civil penalty due which subsequently has been determined in accordance with the applicable provisions of 10 CFR 2.205, this matter may be referred to the Attorney General, and the penalty, unless compromised, remitted, or mitigated, may be collected by civil action pursuant to Section 234c of the Act U.S.C. 2282c.

The responses to the Director, Office of Enforcement, noted above (Reply to a Notice of Violation, letter with payment of civil penalty, and Answer to a Notice of Violation) should be addressed to: Director, Office of Enforcement, U.S. Nuclear Regulatory Commission, ATTN: Document Control Desk, Washington D.C. 20555, with a copy to the Regional Administrator, Region III, U.S. Nuclear Regulatory Commission, 799 Roosevelt Road, Glen Ellyn, Illinois 60137 and a copy to the NRC Resident Inspector, Palisades.

FOR THE NUCLEAR REGULATORY COMMISSION



A. Bert Davis
Regional Administrator

Dated at Glen Ellyn, Illinois
This 22 day of December 1988.